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Washington, D.C. 20505

9 August 1985

### Eastern Europe Puzzles Over the Gorbachev Era

#### Summary

Change is in the air in Eastern Europe. There is a sense that the new Soviet leader Mikhail Gorbachev represents, as one Hungarian put it, "a fresh wind" from the East. But East Europeans are not sure whether Gorbachev will stir up an invigorating breeze that will improve their lot or a gale-force wind that will flatten them. The debate that will decide which it will be is now underway in the Soviet Union and should add to the political turbulence that will precede the five East European party congresses scheduled in the first half of 1986. In addition to the Gorbachev factor, the advanced age of Eastern Europe's leaders also adds to the expectation that the region is on the threshold of a new era.

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This memorandum was prepared by [redacted] Chief, East European Division, Office of European Analysis. Comments and questions are welcome and should be addressed to [redacted]

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\* After the Soviet congress in February, Bulgaria, Czechoslovakia, East Germany, Poland, and Yugoslavia will hold their congresses by June. [redacted]

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State Dept. review completed

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### The First Six Months

In general, Eastern Europe was cautiously optimistic about the appointment of Mikhail Gorbachev as CPSU General Secretary last February. Gorbachev's relative youth and his reputation as an innovator and pragmatist encouraged some members of the East European establishment to hope that Moscow will relax its tight grip over the region. It was argued that Gorbachev was a good listener and would understand the need for change even if it meant some departures from Marxist-Leninist tradition. [redacted]

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If polled, we suspect many East Europeans probably would have expressed a much more cynical view. They would assert that Gorbachev did not get to his present position by being non-doctrinaire. They would concede that he has a great deal more energy than his predecessors, but would contend that he would use this drive to manage the alliance more intensely. Gone, they would say, are the good old days when Soviet leaders were too old and sick to give much attention to Eastern Europe. [redacted]

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### Mixed Signals

Six months after Gorbachev's ascension, Eastern Europe is still trying to decipher the political complexion of the new Soviet leader. Those who subscribe to the "Gorbachev the Good" school have been cheered by two of his recent speeches--on 17 May and 12 June--in which change, revision, and "new approaches" were prominent themes. A Jaruzelski confidant told the US Embassy in early June that Gorbachev's May speech was exceptionally important and was still being analyzed in Warsaw for "new departures." [redacted]

Some East European officials were also heartened by the leadership changes announced in Moscow on 1 July, particularly the removal of hardline Politburo member Grigory Romanov. One Hungarian official said that Romanov's attendance at the Hungarian party congress in March was like "a heavy stone from the East." His removal was excellent news, according to two other well-connected Hungarians, because it was a sign the reform faction had consolidated its control in Moscow. Nor will the East Europeans miss being lectured by the grim-faced Gromyko. A Yugoslav diplomat in Moscow told a US diplomat that his contacts in the Soviet Foreign Ministry believe Gromyko was moved aside to make way for a more "pragmatic" foreign policy. Proponents of economic reform in Eastern Europe must also be pleased by the elevation of Boris Yeltsin--a critic of overcentralization--to the CPSU party secretariat. In short, the new leadership team Gorbachev is pulling together appears to be perceived in Eastern Europe as one that holds more promise of accommodating change. [redacted]

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Whatever euphoria all of the above might have produced was considerably dampened by an a no-nonsense article in Pravda on 21 June warning the East Europeans against deviating from Marxist-Leninist orthodoxy. Written under the pseudonym of O. Vladimirov, the article focused on three sins:

- Succumbing to the notion that the free market and private enterprise have advantages over state ownership and central planning.
- Entertaining the thesis that classical Marxism-Leninism is dated and in need of "creative interpretation."
- Subscribing to nationalist tendencies that often result in "covert or overt Russophobia and anti-Sovietism."

In his discussion on nationalism, Vladimirov specifically attacked the concept that "small nations" have a role to play in formulating compromises between the superpowers, a policy Hungary pursued vigorously in 1984 with East German support.

#### Reaction

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The Bulgarian and Czechoslovak party dailies dutifully reprinted the Vladimirov article in full, but the media of the other four non-Soviet Warsaw Pact nations have ignored it. The Yugoslav press denounced it. Since then many of the East Europeans have behaved as if the Vladimirov article does not have the highest Kremlin imprimatur.

- On 27 June following a major CEMA session in Warsaw Czechoslovak Prime Minister Strougal told journalists that such questions as structural reform, changes in economic management, and decentralization are very much alive.
- On 3 July East German party leader Honecker, together with the visiting French Communist party boss Marchais, issued a statement emphasizing "that all states--large, medium-sized, and small"--must carry out their responsibility for progress in disarmament.
- On 29 July Hungarian party secretary for international affairs Szuros also stressed the role of small countries in renewing detente during a television interview on the Helsinki anniversary.
- The GDR ambassador in Prague called the Vladimirov article "an echo from the distant past." He told the US ambassador the GDR pays less attention to Pravda and concentrates on what the leadership says. He added the article may reflect internal opposition to economic reform inside the USSR.

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Despite their bold reaction to the Vladimirov article, East Europeans are concerned about what it might mean for the future. One Czechoslovak party member told US diplomats that the article was "very disturbing" and a "contradiction of everything we have been hearing from Moscow." Poland seemed to hedge its bets when party secretary Bednarski published an article in Pravda on 17 July pledging Polish fealty to the principles of Marxism Leninism.

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The gloomiest comment from a East European to date is attributed to a knowledgeable East European diplomat in Moscow. He told US diplomats there that he believed the Vladimirov piece reflected the views of Gorbachev, Ligachev, and Ryzhkov, the Soviet Union's new emerging triumvirate. He predicted the Vladimirov article would be the first in an authoritative series leading to the publication of the draft party program in September that will be enacted at the party congress next February.

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#### Jury is Still Out

The clearest signal that the debate over more or less orthodoxy remains unsettled, both in Eastern Europe and the USSR, was the appearance of two articles in the July edition of Kommunist, the Soviet party's theoretical journal. One written by Karoly Nemeth, the number-two man in the Hungarian party, outlines how Hungary intends to continue its innovative economic policies. The texts are not yet available in Washington, but the US Embassy in Moscow says, Nemeth did not unveil any new concepts. He did explain to his Soviet readers that Hungary's leaders were anxious to get worker councils even more involved in investment-related decisions. Nemeth said Hungary was even considering the "open" election of enterprise managers. Nemeth mentioned CEMA integration in a positive fashion, but also noted that Hungary intended to develop economic ties to the West.

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The second article, written by Oleg Bogomolov, Director of an influential Moscow-based think-tank, was also sympathetic to the need for change. He supported the Hungarian notion that differing conditions justify different approaches, and Bogomolov-like Nemeth--argued for more worker participation in enterprise decisions. Bogomolov warned against blind adherence to centrally-assigned plans and urged that middle-level managers be given more authority to resolve differences between competing central and local interests.

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The sharp contrast between the substance of the Vladimirov article and those of Bogomolov and Nemeth almost certainly is a reflection of a much more intense dispute taking place behind closed doors. The battle over the merits of economic reform has

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been fought before with inconclusive results. But this one has an added dimension. It is the first time the issue has been tackled under a new, dynamic Soviet leader who can reasonably be expected to rule for two decades. He clearly wants to strengthen the responsiveness of East Europeans to Soviet interests and would like the guidelines on how that is to be accomplished settled before he opens his first party congress as General Secretary. [redacted]

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### Outlook

The stakes are high and the East European elites are acutely aware that decisions made in the next six months almost certainly will have an enormous impact on their region for a decade. The top leaderships may get a chance to lobby personally if, as is rumored, a Warsaw Pact summit is held in October in Sofia. In the interim, Eastern Europe will be highly sensitive to signs from Moscow. It is rumored, for example, that Oleg Rakhmanin--thought to be the author of the Vladimirov article--will soon be promoted to the party secretariat and placed in charge of relations with ruling Communist parties. Such a move would be a strong signal that Gorbachev does not favor any significant restructuring of Eastern Europe's economic systems. [redacted]

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Eastern Europe's aging leaders also contribute to the climate of change in the area. Czechoslovakia's Husak, East Germany's Honecker, and Bulgaria's Zhivkov will be 73 or older when they open their party congresses early next year. Soviet diplomats in Sofia have already suggested Bulgaria might be a better place, as at least more efficient, without Zhivkov. We doubt whether Gorbachev is impressed with the ailing (or even a healthy) Ceausescu, or with Jaruzelski's continuing inability to resolve Poland's problems. And while Gorbachev might admire Hungary's Kadar, the need to appoint a deputy secretary general to reduce his work load this year seems out of sync with Gorbachev's emphasis on hard work and total commitment. In the absence of clear signals from Moscow, the competing factions waiting in the wings to replace Eastern Europe's leaders will continue to be disposed to interpret Gorbachev in a way that supports their own policy preferences. [redacted]

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Meanwhile, some members of the East European elite probably are less concerned about Gorbachev's views on reform and ideology than they are about the prospect that he will make increased demands for East European assistance in revitalizing the Soviet economy. On trade issues, Gorbachev has given his allies little reason to hope for a reversal of his predecessor's tough line. Indeed, continued Soviet insistence, and East European unwillingness, to provide more high quality goods in exchange for Soviet energy and raw materials may prove to be more contentious than the issues raised in the Vladimirov article. [redacted]

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